

Corrected to add Public Comment Period

**CITY OF CORNING
CITY COUNCIL SPECIAL MEETING
AGENDA**



**TUESDAY, JUNE 30, 2009
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Becky Hill
Ross Turner
Toni Parkins
John Leach**

Mayor:

Gary Strack

PUBLIC COMMENTS: If there is anyone in the audience wanting to speak on an item not already on tonight's Agenda, if so, please come to the podium, identify yourself and briefly present your information to the Council. **A three-minute time limit will apply unless the Council makes an exception due to special circumstances.** If your matter will require more time or formal action by the Council, the law requires that it be placed on the printed Agenda for a future meeting so that interested members of the public will have the chance to appear and speak on the subject.

C. REGULAR AGENDA:

1. PRESENTATION AND DISCUSSION OF THE 2009-2010 CITY BUDGET, DISCUSSION AND ACTION (Continued discussion from the June 23, 2009 City Council Meeting):

A. Approve Resolution No. 06-30-09-01 Establishing the 2009-2010 Appropriations Limit for the City of Corning; and

B. Approve Resolution No. 06-30-09-02 Adopting the 2009-2010 Budget and Program of Service for the City of Corning.

D. ADJOURNED!

POSTED: FRIDAY, JUNE 26, 2009

Corrected Notice Reposted: Monday, June 29, 2009

**ITEM NO.: C-1, A&B
PRESENTATION AND DISCUSSION OF
THE 2009-2010 CITY BUDGET,
DISCUSSION AND ACTION
JUNE 30,2009**

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER

STEVE

SUMMARY:

The City Council received the Budget on Friday, June 12, 2009 and met in public for a study session on June 18, 2009, and the regularly scheduled meetings on June 23, 2009 and tonight, June 30, 2009 to receive public input and discuss the program of service and its costs with the City Staff and Community present at the meetings.

Tonight, July 30, 2009 is scheduled to be the final public meeting and adoption of the budget, including those changes made by the Council during the previous meetings.

RESOLUTIONS ADOPTING THE 2009-2010 APPROPRIATIONS LIMIT AND THE BUDGET AND PROGRAM OF SERVICE FOR THE CITY OF CORNING:

The attached Resolutions set the revenues and expenditures for each of the Funds which support the operations of this City. The table in the Resolution sets the estimated revenue and the expenditure limit for each of these funds. The reserve used or carryover shows the amount of dollars to be used from each of these Fund Reserves. The Fund Reserves represent prior year savings that will be applied to projects or activities in the coming year.

Following the table is a list of budget policies and transfers that implement the programs. Most of these are restated each year to provide direction to the Finance Department. A few need additional explanation.

Number 10 provides a \$225,000 transfer from one Sewer Development Impact Fund to another in order to meet the Bond Debt Service on the Wastewater Treatment Plant Expansion. When the Bonds were approved for the WWTP Expansion, the City sought to avoid imposing an expansion of the Plant on current ratepayers, therefore the burden was placed upon new development. If there was insufficient development to meet the debt service, the funds would come from the Sewer Collection System Capital Improvement Fund No. 347, from the rate payers. This transfer makes it possible to avoid any impact on the rate payers for this fiscal year and probably next fiscal year. Because these development impact fee funds will be used for the intended purpose of mitigating development impact, there is no prohibition against this transfer.

Please note in paragraphs 14, 15 and 16 that the Police Department and Public Works Department have asked that portions of their Capital Replacement Funds be returned to the General Fund to help offset this current years shortfall. These savings have already been incorporated into the yearend "guess" already presented to the City Council.

Numbers 18-21 close out projects following final accounting. The deficits noted are also included in the yearend "guess".

Approval of the attached Resolution No. 06-30-09-01 establishes the 2009-2010 Appropriations Limit of \$10,032,042 for the City of Corning, and approval of attached Resolution No. 06-30-09-02 adopts the 2009-2010 Budget and Program of Service for the City of Corning.

RECOMMENDATION:

MAYOR AND COUNCIL:

- A) APPROVE RESOLUTION NO. 06-30-09-01 ESTABLISHING THE 2009-2010 APPROPRIATIONS LIMIT FOR THE CITY OF CORNING; AND
- B) APPROVE RESOLUTION NO. 06-30-09-02 ADOPTING THE 2009-2010 BUDGET AND PROGRAM OF SERVICE FOR THE CITY OF CORNING.

IMPLEMENTING THE PLAN:

City outside accountant Roy Seiler, CPA and I spent Thursday going back over "The Plan" and the employee costs. We still believe that the plan will work, but we do not believe we can assure the City Council that the target amount of \$184,250 can be met in salary savings through furloughs equal to 10% of all of the employee's individual salaries if made effective January 1, 2010.

To help clarify this, here are some payroll costs.

Because the City's share of health insurance and life insurance cost are not affected by salary changes, but are fixed by the number of full-time employees, these costs are left out of the computations. The other employee benefit costs, including FICA, Medicare and Retirement, increase or decrease based upon the salary paid. The cost of Worker's Compensation insurance is also not included, because it is a fixed cost based upon the number of total employees, the base annual salary and loss experience.

Here are the numbers:

- The total compensation cost for all employees is \$3,685,001 per year.
- Ten percent (10%) of this number is \$368,500.
- January 1 through June 30, 2010 savings from a 10% furlough is \$184,250.
- The total compensation annual cost for all employee costs contained in the General Fund is \$2,848,671.
- The six-month savings directly to the General Fund only from a 10% reduction in employee hours through furlough is \$142,435.
- \$142,435 can be saved through furloughs equal to 10%, or a reduction in work hours of 4 hours per week effective January 1, 2010 through June 30, 2010.

The difference between the two estimates of savings is almost \$42,000; trying to achieve this additional savings by cutting costs in all of the funds is ify.

The problem arises because the City uses a job cost accounting system of allocating Public Works Employees within the fund for which they are doing the work. For example, when they are doing street repair work, their salary comes from the Gas Tax Funds 109, 110, and 111. When they do sewer repairs, their pay comes out of Sewer Enterprise Fund 610, and when working in water it comes from Water Enterprise Fund 630.

The basic concept of the plan works when all of the Employees accept a reduction in hours through furloughs.

All but two of the Public Works Employees have a portion of their salary funded by the General Fund. Salary savings occurring in the Gas Tax, Water and Sewer Funds as a result of furloughs will allow Public Works Director and Assistant Director to schedule more needed maintenance in those cost centers and less in General Fund related services.

If the known General Fund savings from a 10% reduction in paid work hours through furloughs is \$284,867 and a six-month period of furloughs would save \$142,435, a 9-month savings would save \$213,650.

Please re-read the attached budget supplement dated June 23, 2009 titled "The Plan". Our stated objective is to "reduce the \$732,000 shortfall in revenue to a manageable amount while leaving all of the operating reserve in tact, and keep some of the available reserve in the bank for emergencies". The first draft of the plan calls for a commitment from the City Government, the City Employees, and a modest turnaround in the economy.

The plan makes no attempt to guarantee the City Council, or the City Employees that the reduction in Staff through layoffs will not be necessary in the future. The implementation of "The Plan" does make such extreme actions more remote. Any consideration of a reduction in force through layoffs is not acceptable, because whether we like it or not, the Safety Services would be the most heavily impacted. Also attached for your information are some costs of employee total compensation in specific services along with the General Fund support of salaries for a number of important City workers.

RESOLUTION NO. 06-30-09-02
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING
ADOPTING THE ANNUAL PROGRAM OF SERVICES AND CITY BUDGET
FOR FISCAL YEAR 2009-2010

WHEREAS, the City Council received the proposed Budget on June 12, 2009; and

WHEREAS, the City Council conducted two Public Meetings, on June 23rd, 2009, and on June 30th, 2009, and a Study Session on June 18th, 2009, in order to receive public input on levels of service and general concerns of the citizens; and

WHEREAS, the City Council has made various changes in the proposed Annual Program of Service and Budget; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Corning approves the Annual Program of Service and Budget, with changes, by adopting the Appropriations and Expenditures for each City Fund as listed in the following table:

<u>FUND DESCRIPTION</u>	<u>ESTIMATED REVENUE AND TRANSFERS</u>	<u>APPROPRIATED EXPEND. & TRANS</u>	<u>RESERVE USED / CARRY OVER</u>
001 General Fund	\$3,738,050	\$4,470,026	\$(731,976)
071 PD Equip. Replace. Fund	\$ 84,580	\$ 112,000	\$(27,420)
072 ACO F & A	\$ 3,000	\$ 5,500	\$(2,500)
076 Fire Equip. Replace. Fund	\$ 71,808	\$ 71,808	\$ -0-
078 PW Equip Replace. Fund	\$ 100	\$ 2,000	\$(1,900)
105 Rural Planning	\$ 31,000	\$ 30,871	\$ 129
107 STIP	\$ 1,152	\$ 53,000	\$(51,848)
108 Federal Programs	\$ 500	\$ 28,250	\$(27,750)
109 Gas Tax	\$ 43,100	\$ 61,534	\$(18,434)
110 Gas Tax / 2106	\$ 32,700	\$ 51,932	\$(19,232)
111 Gas Tax / 2107	\$ 57,600	\$ 127,693	\$(70,093)
112 Gas Tax	\$ 2,200	\$ 2,200	\$ -0-
114 Tr. Sales Tax	\$ 64,000	\$ 79,500	\$(15,550)
115 Traffic Cong.	\$ 68,850	\$ 68,400	\$ 450
116 Traffic Mitigation Fees	\$ 77,000	\$ 5,101	\$ 71,899
118 Safe Routes to School	\$ -0-	\$ -0-	\$ -0-
120 T.E.A. Downtown	\$ -0-	\$ -0-	\$ -0-
150 Planning Envir. Review	\$ -0-	\$ -0-	\$ -0-
161 Office/Traffic Safety Close Fund June 30, 2009	\$ -0-	\$ -0-	\$ -0-
164 Office/Traffic Safety 2	\$ 19,696	\$ 19,696	\$ -0-
170 Abandoned Vehicles	\$ 4,000	\$ 7,000	\$(3,000)
188 SAFE Grant	\$ 10,000	\$ 7,500	\$ 2,500
303 Flood Prevention Close Fund June 30, 2009	\$ -0-	\$ -0-	\$ -0-
304 GIS Planning Close Fund June 30, 2009	\$ -0-	\$ -0-	\$ -0-
305 Retail Trade Close Fund June 30, 2009	\$ -0-	\$ -0-	\$ -0-

RESOLUTION NO. 06-30-09-02 , page 2

<u>FUND DESCRIPTION</u>	<u>ESTIMATED REVENUE AND TRANSFERS</u>	<u>APPROPRIATED EXPEND. & TRANS</u>	<u>RESERVE USED / CARRY OVER</u>
308 Housing Element	\$ 35,000	\$ 43,750	\$ (8,750)
321 Salado Home Grant Close Fune June 30, 2009	\$ -0-	\$ -0-	\$ -0-
322 CDBG 08	\$1,500,000	\$ 1,480,370	\$ 19,630
323 Prog. Income Unrestricted	\$ -0-	\$ -0-	\$ -0-
324 Program Housing	\$ -0-	\$ -0-	\$ -0-
325 Program Income ED	\$ -0-	\$ -0-	\$ -0-
326 Program Income General	\$ -0-	\$ -0-	\$ -0-
341 Park Acquis. Quimby Act	\$ 12,200	\$ 14,541	\$ (2,341)
344 Salado Wall	\$ -0-	\$ -0-	\$ -0-
345 Drainage	\$ 13,000	\$ 4,059	\$ 8,941
346 Water Capital Improve.	\$ 29,000	\$ 613,000 ¹	\$ (584,000)
347 Sewer Capital Improve.	\$ 31,000	\$ 227,000	\$ (196,000)
348 WWTP Sewer	\$ 345,500	\$ 234,160	\$ 113,340
352 Park & Rec. Revolving Fund	\$ 2,000	\$ 2,800	\$ (800)
353 Park Volunteer Fund	\$ 500	\$ -0-	\$ 500
355 Parkland Acquisition	\$ 15,000	\$ 1,500	\$ 13,500
356 Trail Development	\$ 1,000	\$ -0-	\$ 1,000
365 Curb/Gutter-Revolving	\$ -0-	\$ -0-	\$ -0-
380 WWTP Capital Replace	\$ 60,000	\$ 70,000	\$ (10,000)
381 Sewer Capital Replace.	\$ 19,300	\$ 72,000	\$ (52,700)
383 Water Capital Replace.	\$ 72,000	\$ 22,500	\$ (49,500)
401 J. T. Levy	\$ 500	\$ 500	\$ -0-
402 Rodgers Theatre Trust	\$ 500	\$ 1,500	\$ (1,000)
403 Ridell Library Trust	\$ 1,500	\$ 1,000	\$ 500
610 Sewer Enterprise	\$ 1,412,990	\$1,331,783	\$ 81,207
611 Sewer Rate Coven. Fund	\$ -0-	\$ -0-	\$ -0-
615 Solid Waste	\$ 305,000	\$ 306,000	\$ (1,000)
620 Airport	\$ 18,980	\$ 17,200	\$ 1,780
621 Airport CIP	\$ 3,320,000	\$ 3,320,000	\$ -0-
625 Transportation Center	\$ 13,220	\$ 13,500	\$ (280)
630 Water Enterprise	\$ 1,227,675	\$ 1,220,248	\$ 7,427
701 Lighting & Landscape Dist.	\$ 1,090	\$ 1,725	\$ (635)
703 Lighting & Landscape Dist.	\$ 2,900	\$ 2,625	\$ 275
704 Lighting & Landscape Dist.	\$ 4,775	\$ 3,400	\$ 1,375

¹ USDA Rural Development Loan Proceeds for Clark Park Well estimated at \$578,000.

BE IT FURTHER RESOLVED, that the City Council hereby maintains the following policies:

1. The Annual System Replacement commitment from the Sewer Enterprise Fund as mandated in the Federal Wastewater Treatment Plant Construction Grant is committed to pay debt service for Sewer Replacement Bonds.
2. Public Safety Sales Tax, approved by the voters in Prop. 172, is distributed between the Police Equipment Replacement Fund 071 and Fire Equipment Replacement Fund 076. Upon receipt, funds shall be deposited into the General Fund Revenue Account #001-4122, and become a part of the annual transfer in support of Funds 071 and 076.
3. The State Indian Gaming money shall be deposited in the General Fund Revenue Acct. 001-4160 to be used for the funding of front-line law enforcement personnel costs.

RESOLUTION NO. 06-30-09-02, page 3

4. From the General Fund 001, transfer \$53,280 to the Police Equipment Replacement Fund 071.
5. From the General Fund 001, transfer \$22,000 to the Fire Equipment Replacement Fund 076. Deposit Fire Dispatch Contract income into Fund #076, Revenue Account #076-4671.
6. Deposit Fire Dispatch Contract income into Fire Equipment Replacement Fund 076, Revenue Account #076-4671.
7. From the General Fund 001, transfer \$-0- to Public Works Equipment Replacement Fund 078.
8. \$50,000 per year for Equipment Replacement shall be transferred annually from the Sewer Enterprise Fund 610 to the Wastewater Treatment Plant Capital Replacement Fund #380.
9. \$18,300 per year for Equipment Replacement shall be transferred annually from the Sewer Enterprise Fund #610 to the Sewer Capital Replacement Fund #381.
10. \$225,000 shall be transferred from the Sewer Capital Improvement Fund 347 to the WWTP Expansion Fund 348 to pay the WWTP Bond Debt Service.
11. \$70,000 per year shall be transferred annually from the Water Enterprise Fund #630 to the Water Capital Replacement Fund #383.
12. The Annual General Fund Subsidy of the Corning Municipal Airport Enterprise Fund #620 shall be set at \$0.
12. The Annual rent for PAL Program Use paid to the Transportation Center Fund shall be set at \$5,000, and transferred from the General Fund 001, to the Transportation Center Fund 620.
13. Authorize City Manager to make annual year end transfer of Unrestricted CDBG Program Income into its separate Fund, Fund #323, in order to segregate funds available for use.
14. Effective June 30, 2009, return \$180,000 from the Police Equipment Replacement Fund #071 to the General Fund #001.
15. Effective June 30, 2009, return \$35,000 from Public Works Equipment Replacement Fund #078 to the General Fund #001.
16. Effective June 30, 2009 return \$18,000 from the Curb and Gutter Revolving Fund #365 to the General Fund #001.
17. Transfer to the General Fund 001, prior to June 30, 2009, the excess interest earned from the Solid Waste Fund 615, equal to the June 30, 2009, Fund 615 balance less the amount payable to Waste Management, Inc.
18. Transfer Downtown TEA Fund #120 project deficit of \$1,011 from the General Fund #001 by June 30, 2009.
19. Transfer Flood Prevention Grant Fund 303 project deficit of \$6,969 from the General Fund 001 by June 30, 2009.
20. Transfer GIS Planning Grant Fund 304 project deficit of \$7,150 from the General Fund 001 by June 30, 2009.
21. Transfer Retail Trade Grant Fund 305 balance of \$4,356 to the General Fund 001 by June 30, 2009.



RESOLUTION NO. 06-30-09-02, page 4

The foregoing Resolution was adopted at a regular meeting of the City Council of the City of Corning, held on June 30, 2009 by the following vote:

AYES:

NOES:

ABSTAINING:

ABSENT:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

Problem with considering Layoffs is in the recognition of which positions are in the General Fund.

The **Total General Fund Payroll** and benefit expense including Health and Life is **\$3,280,823**.

Here are the employee total compensation costs by Service function:

- The **Police Services** Division Sworn Officer cost is **\$1,773,068**
- The **Police Dispatch** employee cost is **\$403,286**.
- **Fire Dispatch** cost is **\$271,436** less the Contract income of \$22,533 so far this year.
- **Animal Control and Code Enforcement** is only **\$140,868**.
- **City Admin** is only **\$121,438**
- **Streets** is only **\$112,502**.
- **Parks and Pool** is only **\$98,879**.
- **Recreation** is only **\$73,347**.
- **Planning** is only **\$68,634**.
- **Finance** is only **\$18,122**.
- **Building** is only **\$17,492**.
- **Public Works Admin** is only **\$7,170**.

Here are **General Fund Costs** for some different positions.

Police Officer	\$109,096 to \$92,844 per year.
Recreation Supervisor	\$73,347
Police Dispatcher	\$63,188
Fire Dispatcher	\$63,188
Community Service Officer	\$59,485
Public Works Maintenance Worker	\$60,555 to \$-0- <i>Depending on the duties assigned the position.</i>
Finance Technician	\$ 6,747

The Plan

Last week the City Council was presented with a Plan and a Budget providing for the continuation of all the Programs set in place by the City Council. This Budget with adjustments made last Thursday by the City Council has a \$731,976 shortfall between expected revenues and cost of services,

The purpose of this budget was to provide time and breathing room to develop a Plan to continue the City Services. As discussed, Staff only recommends Services; Staff has neither the authority to add or delete services without approval of the City Council.

This June 23, 2009, Report provides the workable Plan that combines an investment by both the City Government and the City Employees. This Plan also recognizes that the local economy will recover, but in the meantime tough decisions must be made.

During last week's discussions, the Council quickly acknowledged the dilemma of Staff; you can't balance this budget with Staff cuts. You cannot cut the Recreation Program in order to lower the budget deficit by only \$86,492 to \$645,000; it still does not work.

In simple terms, the deficit represents the cost of seven (7) Police Officers, and of course the City cannot cut seven Officers who's individual total salary costs runs between \$109,096 and \$92,844 per year.

Or, it represents cutting the entire Recreation Program, the entire Fire Dispatch and four Police Officers.

Recreation	\$ 86,492
Fire	\$271,436 – \$30,000/yr Dispatch Contract
4 newest police officers	\$392,821

This is not a solution.

The PLAN calls for a commitment from both the City Government and the City Employees in order to get through the recession with services and staff intact. The Plan will result in a reduction in service, but sustain all core services.

The Commitment

Objective: reduce the \$732,000 shortfall in revenue to a manageable amount while leaving all of the Operating Reserve intact and keep some of the Available Reserve in the bank for emergencies.

Shortfall:

\$732,000

City Government commits 47%

\$350,000 of Available Reserve preserving \$250,000 for emergencies and the \$800,000 Operating Reserve untouched to cover cash flow.

City Employees commit 25%

\$184,250 in salary savings through furloughs equal to 10% of their individual salaries beginning January 1, 2010.

The recovering economy commits a recovery amounting to **\$200,000** more in income than projected.

This will work.

How it works

Even if the economy does not perform, the Available Reserve will have \$250,000 to protect Programs in the following year, and the Operating Reserve is preserved. If the continuation of furloughs is still necessary next year after July 1, 2010, the 10% cut in hours will produce twice the savings over the next full fiscal year. The Council and Staff will be able to review the economic condition of the City in January 2010, and again in April 2010, and every Quarter end thereafter.

For the employee commitment of 10% of salary, furloughs are the best option. There is no effect on the hourly rate, or scheduled cost of living increases put in place by the MOU's, or health and life insurance, or such things as uniform allowance and incentive pay. It will not increase overtime.

Another reason to choose furloughs as a solution is the ease with which the City can rescind them incrementally. Under the investment concept laid out, the City must first recover the lost annual revenue stream by \$200,000 dollars and then grow it little by little. Any of this growth over the \$200,000 first goes to reinstate the Staff work hours. The City must preserve the balance of the Available Reserve for next year since no one thinks the economy will recover until late 2010. The State Department of Finance estimates statewide sales tax to go down by 14% MORE than last year.

Gross pay goes down by 10% because the employees will work nine (9) eight-hour days in a pay period instead of 10 days. This will require “meet and confer” and agreement by each individual bargaining unit of the Union, because the Memorandums of Understanding call for layoffs by seniority within class and department.

The Departments are already working on the Plan to lay out a scheduling plan to make furloughs work in the individual Departments and Union Bargaining Units.

For the City Council, at this time you only need to approve the Plan. The Staff must work out the details needed to implement the Plan, meet and confer with the Union and return to the Council for discussion and approval after meet and confer. Approval of the Plan sets the parameters for meet and confer.

There will be a decrease in service to the Community as the City reduces service time by over 8,700 hours per year.¹ This is in addition to the 30% reduction in Street Division employees caused by holding the two street maintenance worker positions vacant. There were six Street Maintenance workers and now there are four.

Timing

The Plan starts in January, because we simply do not have sufficient financial information at this time. Our prior year Sales Tax of \$2,705,000 was based upon real predictable growth. This level of sales occurred AFTER the drop in new car sales but BEFORE the run up of automotive fuel prices.² Forecasting revenue during this recession and under the threat of more State “Takings” will be difficult at best.

As City Council has noted, we cannot sit and hope for the best; we must take action

RECOMMENDATION: MAYOR AND COUNCIL DIRECT THE CITY MANAGER TO MOVE FORWARD WITH “THE PLAN” TO IMPLEMENT AN ACROSS THE BOARD CUT BY 10% IN EMPLOYEE COSTS AND TO COMMIT \$350,000 OF THE GENERAL FUND “AVAILABLE RESERVE” TO PRESERVE SERVICES BY MAINTAINING CITY STAFFING.

¹ 10% of actual work hours for 47 employees.

² The 2007-2008 sales Tax income of \$2,705,000 was earned in the 2nd, 3rd and 4th Quarters of 2007 and the 1st Quarter of 2008.

ITEM NO. C-1, A
RESOLUTION NO. 06-30-09-01
ESTABLISHING AN
APPROPRIATIONS LIMIT FOR THE
CITY OF CORNING FISCAL YEAR
2009 – 2010
JUNE 30, 2009

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

STEVE

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER

SUMMARY:

Annually the City must set its Appropriation Limit as required by Article XIII B of the California Constitution. The Appropriation Limit is also known as the "Gann Limit," named after the Initiative Proponent who sought a Constitutional Amendment to put limitations on the growth of Government. Unfortunately, Charles Gann, an associate of Howard Jarvis, failed to seek any limitations on State Government!

City Independent Auditor Roy R. Seiler has produced the attached report for public review. In support of the proposed Resolution, the Appropriation Limit this coming Fiscal Year is \$10,032,042, which far exceeds the City's proposed General Fund Base Operating Budget.

RECOMMENDATION:

MAYOR AND COUNCIL RECEIVE THE REPORT OF THE CITY AUDITOR AND ADOPT RESOLUTION NO. 06-30-09-01 ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE CITY OF CORNING FOR THE FISCAL YEAR 2009-2010 IN THE AMOUNT OF \$10,032,042.

RESOLUTION NO. 06-30-09-01

**A RESOLUTION ESTABLISHING AN APPROPRIATIONS LIMIT
FOR THE CITY OF CORNING
FISCAL YEAR 2009-2010**

WHEREAS, Article XIII B of the California Constitution requires that an appropriations limit be established,

BE IT RESOLVED, that the City Council of the City of Corning declares that the appropriation limit for the City of Corning, subject to correction and adjustment, is \$10,032,042. This appropriations limit is for the fiscal year 2009-2010 pursuant to the provisions of Sections 36936.1 and 36937 of the Government Code of California.

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately and shall be published at least once in the Corning Observer, a newspaper of general circulation, printed, published and circulated in the City of Corning.

This Resolution was introduced and adopted by the City of Council of the City of Corning on the 30th day of June, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

CITY OF CORNING
APPROPRIATIONS LIMIT WORKSHEETS
FISCAL YEAR 2009/2010

ROY R. SEILER
CERTIFIED PUBLIC ACCOUNTANT

201 C. North Tehama
Willows, CA 95988

Phone: 530-934-8841
Fax: 530-934-8849

Independent Accountant's Report on Agreed Upon Procedures
Applied to Appropriations Limit Worksheets

City Council
City of Corning, California

I have applied the procedures enumerated below to the accompanying Appropriations Limit Worksheets for the City of Corning, California (City) for the 2009/2010 fiscal year. These procedures, which were agreed to by the City and the League of California Cities (as presented in the League publication entitled *Article XIII B Appropriations limitation Uniform Guidelines*) were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and my findings were as follows:

1. I completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. I also compared the population and inflation options included in the aforementioned worksheets to those that were prepared by the State of California, Department of Finance.

Finding: No exceptions were noted as a result of the procedures.

2. For the accompanying Appropriations Limit worksheet I added line A of last year's limit, to line E, total adjustments, and compared the resulting amount to line F, this year's limit.

Finding: No exceptions were noted as a result of the procedures.

3. I compared the current information presented in the accompanying Appropriations Limit worksheet to the prior year appropriation limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of the procedures.

4. I compared the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of the procedures.

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheets. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

This report is intended solely for the use of the City of Corning, California and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

June 19, 2009



Roy R. Seiler, CPA

City of Corning
FYE: June 30, 2010

GANN INITIATIVE
APPROPRIATION LIMITATION GUIDELINES

REVENUES EXEMPT FROM LOCAL LIMITS:

- All Enterprise Revenues
- State Grants (Airport, CDGB, etc.)
- State Funded Programs administered locally
- Gas Tax
- Transportation Development Act Funds

REVENUES TO BE INCLUDED:

- Shared Revenues
- Off Hwy. License Fees
- Vehicle License Fees
- Cigarette Tax
- Tax Relief Subventions (Personal Property Tax Relief, Homeowners)

City of Corning
 FYE: June 30, 2010

APPROPRIATION LIMITATION WORKSHEETS:

GANN INITIATIVE
 NEW APPROPRIATION LIMITS:

<u>FISCAL YEAR</u>	<u>PREVIOUS LIMIT</u>	<u>FACTOR</u>	<u>NEW LIMIT</u>
1980-81	1,846,944	1.1638	2,149,473
1981-82	2,149,473	1.0832	2,328,309
1982-83	2,328,310	1.1115	2,587,917
1983-84	2,587,916	1.0299	2,665,295
1984-85	2,665,295	1.0521	2,804,157
1985-86	2,804,157	1.0885	3,052,325
1986-87	3,052,325	1.0544	3,218,371
1987-88	3,218,371	1.0573	3,402,784
1988-89	3,402,784	1.0799	3,674,666
1989-90	3,674,666	1.0738	3,945,856
1990-91	3,945,856	1.0778	4,252,844
1991-92	4,252,844	1.0696	4,548,842
1992-93	4,548,842	1.0162	4,622,533
1993-94	4,622,533	1.0462	4,836,094
1994-95	4,836,094	1.0215	4,940,070
1995-96	4,940,070	1.0607	5,239,932
1996-97	5,239,932	1.0632	5,571,096
1997-98	5,571,096	1.0608	5,909,819
1998-99	5,909,819	1.0604	6,266,772
1999-2000	6,266,772	1.0626	6,659,072
2000-2001	6,659,072	1.0579	7,044,632
2001-02	7,044,632	1.0779	7,593,409
2002-03	7,593,409	0.9952	7,556,961
2003-04	7,556,961	1.0322	7,800,295
2004-05	7,800,295	1.0381	8,097,486
2005-06	8,097,486	1.0657	8,629,491
2006-07	8,629,491	1.0557	9,110,154
2007-08	9,110,154	1.0479	9,546,530
2008-09	9,546,350	1.0507	10,030,350
2009-10	10,030,350	0.0017	10,032,042
	<u>CALIFORNIA PRICE FACTOR</u>	<u>CHANGE IN POPULATION %</u>	<u>COMBINED TOTAL</u>
2008-09	0.62	x 2.720	= 1.0479